ABSTRACT

Moral judgment has been studied using numerous frameworks. This study examines how individual differences in the moral perspectives of egoism as well as idealism affect moral judgment. In terms of egoism, this study examines three separate perspectives; Machiavellianism, hedonism, and ethical egoism were examined to answer whether they form distinct dimensions of egoism and whether these dimensions affect moral judgment differently. We found that three dimensions of egoism were formed and that Machiavellianism and idealism exhibited a negative effect on moral development used in moral judgment. Hedonism had a positive effect, while ethical egoism was insignificant.

KEYWORDS: Ethical decision-making, Machiavellianism, Hedonism, Ethical egoism, Idealism, Individual differences, Moral judgment, Structural equation modeling

INTRODUCTION

How individuals make decisions about ethical issues is of great interest to researchers and organizational leaders. Executives use it, for example, in employee recruitment, leadership selection, and partnership building. A 2012 survey revealed that 45 percent of U.S. employees had observed a violation of the law or ethical standards at their workplaces during the past two years (ERC, 2012). While many of the reported ethical violations may be small, large scandals such as Bernie Madoff’s Ponzi scheme in 2008 and JPMorgan Chase and Co.’s trade scandal in 2013 have demonstrated how an individual’s unethical action can have a negative influence
on a firm or on society as a whole. These consequences ensure that the ethical decision-making (EDM) process is going to be an ongoing area of study.

Several frameworks have been developed to study the EDM process. One of the most influential frameworks is that of Rest (1986). This framework takes a series of logically connected components (i.e., moral sensitivity, moral judgment, moral intention, and moral action) into consideration. However, Rest’s (1986) framework does not consider individual moral perspectives as individual differences that can impact the EDM process. Trevino (1986) developed an interactionist model to examine the effect of individual and situational differences on EDM. However, this framework does not include moral judgment. Moral judgment is the process by which an individual determines that one alternative is morally right and another alternative is morally wrong (Hunt & Vitell, 1986; Rest, 1986). To ascertain whether there is a connection between individual differences and moral judgment, Bass et al. (1999) developed a model extending the previous work done by Rest (1986) and Trevino (1986). They provided evidence that moral perspectives affected what managers perceived as a moral judgment but did not explore the underlying cognitive processes used in making the moral judgment (Bass et al., 1999). One way to study how moral judgments are formed is by examining an individual’s cognitive moral development (Rest, 1979; Kohlberg, 1969).

Cognitive moral development implies a series of cognitive stages in which the individual progresses sequentially from lower levels of development that consist of the avoidance of punishment or perceived fairness to higher levels that adhere to universal moral principles (Kohlberg, 1969). Studying cognitive moral development has been an impactful area of research because of a link has been discovered between the use of lower cognitive logic in the EDM process and unethical actions such as cheating (Trevino et al., 2006). However, it is a complicated topic and research examining the relationship between individual differences such as moral perspectives and cognitive moral development is ongoing (e.g. Doyle et al., 2013).

Researchers have attempted to use self-identity to examine moral judgment (Trevino et al., 2006). Research indicates within self-identity there are multiple dimensions of morals, and egoism is one of these dimensions. Egoism has been used in research as a determinant of moral judgment and ethical actions (Kasser et al., 2007; Miesing & Preble, 1985). Egoism as a multidimensional ethical construct has received some attention. Miesing and Preble (1985) examined egoism using two dimensions, Machiavellianism and objectivism (i.e., Ethical Egoism). Literature in the area of philosophy has also examined distinctions in egoism (Toner, 2010). However, a consensus on whether egoism should be considered as a single construct or a multi-dimensional construct when examining moral judgment has not been reached. Our review of the literature has failed to demonstrate any effort to explore this question using Machiavellianism, hedonism, and ethical egoism while examining how they affect cognitive moral development in moral judgments. It is also unclear whether different egoism perspectives affect moral judgment in different ways. We explore egoism as a multidimensional construct. Moral judgment, however, is a complicated area and cannot be examined entirely by egoism; therefore, we have included idealism.

Idealism is the moral perspective that considers an individual’s caring for others (Forsyth et al., 1988). Research has found idealism significantly affects moral judgment (Barnett et al., 1996; Callanan et al., 2010; Marques & Azevedo-Pereira, 2009). However, the results of previous studies have not been consistent in how idealism affects moral judgment as studies have found it to have both positive and negative impact. Inconsistencies in how idealism affects moral
judgment suggest that the results may be sensitive to a moderating effect, the constructs tested, or the dilemma. This study, therefore, examines the research model with two different scenarios.

This study uses Kohlberg’s (1969) stages of cognitive moral development and Rest’s (1986) theory of individual EDM. Rest’s (1986) four-component model has been widely utilized and tested and provides a theoretical foundation when moral perspectives and judgments are the focus. The goal of this study is to examine how different individual perspectives of egoism in the presence of idealism affect moral judgment. We consider the following questions. Should egoism be considered as a multi-dimensional construct in the ethical decision making process? If yes, how does each type of egoism affect moral judgments? When considered in a model with egoism, how will idealism affect judgments?

We proceed in this paper as follows. First, we review the literature and develop our hypotheses of how Machiavellianism, hedonism, ethical egoism, and idealism affect moral judgment. We then describe our methodology. Finally the results and conclusions are discussed.

THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

This study focuses on how individual differences affect moral judgment by examining the stages of development that are used in making ethical decisions. Figure 1 presents the research model based on the EDM models by Rest (1986) and Trevino (1986). In this section, each definition is given, and each hypothesis is discussed.

Figure 1. Research Model with Hypotheses (Adapted from Rest (1986) and Trevino (1986))

(Note: The solid box indicates the primary focus of this research.)

Moral Judgment

Moral judgment is defined as an individual’s evaluation of the extent to which an action is right or wrong (Rest, 1997b). Because moral judgments are personal, they are not easy to measure. Two of the most influential measurements are the Multidimensional Ethics Scale (MES) (Reidenbach & Robin 1990) and the Defining Issues Test (DIT) (Rest, 1979).
The Multidimensional Ethics Scale uses an evaluation of the moral perspectives to determine if a judgment is moral or not. The scale has been used and extended as various moral perspectives are needed to understand the morality of moral judgments (Cohen et al., 1997). While MES offers the approach of scaling the morality involved in and/or achieved by a judgment, our study seeks to determine the impact an individual’s moral perceptions and decision making process. MES does not account for considerations the individual prioritizes when making a moral judgment.

DIT, alternatively, measures how an individual arrives at a moral judgment (Rest, 1979). Although DIT has critics (Fisher & Sweeny, 1998), it is widely used because of its ability to effectively analyze the different stages of cognitive moral development used in moral judgment. DIT is based on Kohlberg’s cognitive moral development theory (Rest, 1979) that has helped to demonstrate that higher moral judgments have impact on moral actions (Bay & Greenberg, 2001; Trevino, 1986; Abdolmohammadi and Sultan, 2002; Green & Weber, 1997; Honeycutt et al., 2001; Reynolds & Ceramic, 2007). This theory suggests a linear relationship in which individuals evolve from lower stages to higher stages implying that a higher cognitive moral capacity has been achieved (Figure 2).

![Figure 2. Stages of Moral Development (Kolberg, 1979, Rest 2. and Narvaez, 1994)](image)

While many studies have been conducted to examine the relationship between an individual’s moral perspective and his or her progression through the cognitive moral stages, no consensus has been reached that elucidates a precise interaction. The extent to which moral perspectives, when examined together, produce an effect on individual moral judgment is also not evident (O’Fallen et al., 2005). We study the potential of Machiavellianism, hedonism, ethical egoism and idealism as separate moral perspectives, all serving as antecedents to the level of cognitive moral development used in an individual’s moral judgment.
Machiavellianism

Machiavellianism describes an individual “who has an immoral reputation for dealing with others in order to accomplish his/her own objectives and manipulating others for his/her own purpose” (Christie et al. 1970, p. 1). Individuals possessing the characteristic of Machiavellianism demonstrate manipulative personalities and actions towards others in order to reach their own goals (Christie et al., 1970). Machiavellianism is based entirely on “expediency, manipulation, exploitation, and deviousness and is devoid of the traditional virtues of trust, honor, and decency” (Tang & Chen 2008, p. 6). Regarding Machiavellianism as an ethical perspective implies that it is morally justifiable to use other people, or whatever means necessary, to achieve one’s own self-interest. Machiavellianism, therefore, is both a selfish belief and a type of egoism.

Individuals with a Machiavellianism perspective tend to believe that it is acceptable to use any means – including manipulation, persuasion, and lies – to accomplish their desires (Hunt & Chonko, 1984). This implies that people who are Machiavellian tend to be less moral than their peers; therefore, they are likely to accept questionable actions. Because Machiavellian individuals tend to be “coldblooded” (Miesing 1985, p. 467) and view the rest of society as immature, they are likely to make decisions based on their opinion rather than a higher moral principle valued by society.

Depending on the role a Machiavellian plays in society, the person’s ultimate desire could be the interest of oneself or the well-being of a group or a nation (Bass et al., 1999). No matter what ends they hold, highly Machiavellian individuals tend to accept morally questionable actions and choose to behave without regret. Empirical research has revealed that judging the morality of an ambiguous action is usually not a Machiavellian’s concern and they will behave only in their own interest (Bass et al., 1999; Geis & Moon, 1981). Other studies provide evidence that Machiavellianism is a good predictor of unethical decision making (Beu et al., 2003), including immoral judgments (Schepers, 2003). Thus, we conclude:

**H1. Machiavellianism will be negatively associated with moral judgment.**

Hedonism

Hedonism is the view that “pleasure (which includes the avoidance of pain) is the only good in life” (O’Shaughnessy & O’Shaughnessy, 2002, p. 526). Hedonists are considered to be a type of egoist because they think first of their own pleasure or pain avoidance. Prior research has summarized the motivational goals of Hedonism as pleasure and enjoying life (Schwartz, 1992).

Hedonism related concepts are often considered in the context of the lower stages of Kohlberg’s cognitive moral development theory (e.g., Blatt & Kohlberg, 1975; Dunn et al., 1991; Eisenberg-Berg & Hand, 1979; Malti et al., 2010; Selman, 1971), because hedonists tend to judge ethical dilemmas in a subjective manner based primarily on their internal like or dislike of a situation that triggers immediate pleasure or pain. In the context of the business environment, some individuals view their work as a career rather than just a job and are motivated not only by monetary gain but also by the desire for higher social status. A recent study discovered that such individuals tend to have high levels of hedonism and focus primarily on self-enhancement (Lan et al., 2013). This type of person is likely to view more questionable actions in workplaces as morally acceptable in order to compete for promotions, acquire authority, enhance personal
Esteem, and increase social standing (Bellah et al. 1985). With the above arguments, we conclude:

_H2. Hedonism will be negatively associated with moral judgment._

**Ethical Egoism**

Ethical egoism (Rand, 1964; Woiceshyn, 2011), also called ethical self-interest or ethical selfishness, can be described as the “values [that are] required for human survival” (Rand 1964, p. 1) rather than values driven by emotions. Thus, ethical egoism emphasizes thinking objectively of oneself and holds that people are able to achieve their own interest without harmful actions to others (Woiceshyn, 2011).

Ethical egoism guides a person to adhere to reality by the means of reason (Woiceshyn, 2011). Based on this type of moral perspective, a person is rational throughout the EDM process. This rationale helps individuals value both the interests of self and the rights of others; therefore, ethical egoism is likely to help a person to evaluate the situation based on mutual interest and tend to refuse morally problematic actions in their decision-making process. In the business context, an ethical egoist not only values economic outcomes but also pursues reputational outcomes (Casali, 2011). The idea of achieving both outcomes requires that an individual act responsibly, and this, in turn, sculptures the person’s thoughts and judgment on moral and immoral actions. Ethical egoists might reason that gains produced at the expense of others may not always benefit their self-interest, especially in terms of reputational outcome. Therefore, they are likely to disagree with morally problematic behaviors. Existing studies have asserted that ethical-egoistic individuals tend to behave cooperatively with their peers for better results (e.g., Mueller, 1986). Because of the rationality of the mindset of ethical egoists, evidence has shown that rational egoism is positively associated with the entire decision making process—including the moral judgment process—and long-term success (e.g., Woiceshyn, 2011). With the above arguments, we conclude:

_H3. Ethical egoism will be positively associated with moral judgment._

**Idealism**

Idealism is another major type of personal moral perspective (Rawwas et al., 2013). Idealism is viewed as the “individuals’ concern for the welfare of other people” (Forsyth et al., 1988, p. 244). Forsyth (1980) defined idealism as the extent to which an individual believes that correct moral behaviors can generate the outcomes that one desires. Therefore, every individual will to some degree have idealism in his or her sense of what is moral. Individuals with a high level of idealism tend to think of others and believe it is immoral to harm other people (Aleassa et al., 2011). Idealism has been used as an individual difference when researching EDM. Idealism can be viewed as an added dimension of an individual’s self-identity. Unlike egoism, which is viewed from the selfishness perspective, idealism is examined through the extent to which an individual is selfless to others.

Some empirical studies showed a positive correlation between idealism and judgment (e.g., Barnett et al., 1996). For example, Forsyth et al.’s (1988) study argues that individuals who have a high idealistic belief judge morally ambiguous actions more harshly than those who are low in idealism. However, viewing things more ideally does not necessarily mean that one can
correctly judge a situation (dilemma) based on high moral values. In practice, many morally correct behaviors from an individual might harm other individuals’ interests when those others operate without a moral spectrum. But, idealists tend to avoid harming people. Therefore, when an idealist is involved in a situation that acting morally requires harming others, this individual is likely to choose maintaining other people’s interest over maintaining morality to avoid harming them. In other words, those with more idealism in mind are more than likely to have higher tolerant towards immoral behaviors. Many studies have also confirmed that idealism negatively affects moral judgments in the EDM process (e.g., Elias, 2002; Kim, 2003). The above arguments lead to the following hypothesis.

**H4. Idealism will be negatively associated with moral judgment.**

**METHODOLOGY**

To test the hypothesized relationships noted above, we conducted a survey-based study. Our research instrument (Appendix) was adopted from existing scales for measuring Machiavellianism, hedonism, ethical egoism, idealism, as well as moral judgment and modified as needed. Demographic information was also collected from study participants. Our hypotheses were tested using covariance-based Structural Equation Modeling (SEM) via SPSS and AMOS software packages. The items and their latent constructs were evaluated using both exploratory (EFA) and confirmatory (CFA) factor analysis and tested for reliability and validity. A check of the measurement model was conducted first, then a test of fit of the structural model to the collected data conducted next. Finally, our hypotheses were tested through path analysis with standardized correlation coefficients generated for each hypothesized relationship.

**Measures**

*Machiavellianism, Hedonism and, Ethical Egoism.* The three egoism perspectives do not have a highly utilized instrument that has been evaluated using all three perspectives simultaneously in multiple empirical research studies. Among these three constructs, Machiavellianism is the most widely studied and has more supported measurements (e.g., Christie et al., 1970). However, very few instruments have been developed with a full consideration of all three selfishness systems. In this study, we used an instrument that was investigated recently (Drake et al., 2009) that included all three moral perspectives. Each construct measurement has seven items on a seven-point Likert scale (ranging from one = “strongly disagree” to seven = “strongly agree”). We used factor analysis to evaluate these constructs.

*Idealism.* The Ethics Position Questionnaire (EPQ) (Forsyth, 1980) was adapted to measure the moral perspective, idealism. The EPQ consists of twenty questions based on a nine-point Likert scale (ranging from one = “completely disagree” to nine = “completely agree”) to measure two constructs: idealism and relativism. For the purposes of our study, we modified the scale from the original nine-point scale to a seven point scale (ranging from one = “strongly disagree” to seven = “strongly agree”) to make it consistent with the other items in the questionnaire.

*Moral Judgment.* The Defining Issues Test (DIT) (Rest et al., 1997b; Rest, 1999) and its revised form, DIT2 (Rest et al., 1999), were adapted to measure moral judgment. We utilized a short version of the instrument with two scenarios or moral dilemmas in order to avoid survey fatigue. Using a shortened version of the DIT is feasible to reach the desired results; this has been verified by other empirical research on moral judgment (e.g., Desplaces et al., 2007). Each
moral dilemma was presented with 12 different statements for the participants to rate based on the level of importance. The participants were then asked to rank the four most important items out of the twelve. The p-score of DIT measures the percentage of ranked importance given to higher moral stages (Stage 5 and 6) in Kohlberg (1969)’s Cognitive Moral Development model. The higher the P Score is, the higher level of the moral development. This score was calculated by examining if the participants ranked stage 5 or 6 items as one of the four most important items used in making a decision, allowing 4 points for the most important, 3 for the second most important, 2 points for the third most important, and 1 point for the fourth most important. The points were then totaled and divided by the potential points for each scenario.

Control variables. We control for two individual differences—age and education level—in explaining moral judgment. Literature suggests that moral judgment has significant differences among different age groups (Wimalasiri et al., 1996). Some research has suggested that age is negatively associated with moral judgment (Kracher et al., 2002; Latif, 2000). Some studies also indicate that significant differences in moral judgment occur among different levels of education (Wimalasiri et al., 1996) or that education level is negatively associated with moral development scores (Alan & Au, 1997).

Sample

The participants in our study were recruited from students in three different medium-sized universities. All participants were required fill out the questionnaire online. 247 questionnaires were mailed, with 191 completed responses, yielding a 77.3% response rate. Respondents ranged from 18 to 50 years old with 82% of the sample being 30 years old or younger, 42 percent were females, 58 percent had at least partially completed graduate level education, and 98 percent were from the United States.

Reliability and Validity

An EFA was completed on the egoism perspectives using maximum likelihood and a varimax rotation. All items that did not load at .5 or that cross loaded were eliminated. This resulted in three items being excluded from ethical egoism and two from hedonism. The remaining items are represented in the appendix. The initial EFA generated a 4-factor model however, upon eliminating the factors that did not load at the designated thresholds, as well as an examination of the scree plot, a 3-factor model appeared as the best representation of the data. Reliability for each of the constructs was calculated using Cronbach’s α (Table 1). The results demonstrated values above .7 suggesting reliability of our measures (Hair et al., 2010).

<table>
<thead>
<tr>
<th>Constructs</th>
<th>IR After EFA</th>
<th>Mean</th>
<th>CR</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Machiavellianism</td>
<td>.882</td>
<td>2.28</td>
<td>1.02</td>
<td>1.03</td>
<td>1.007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Hedonism</td>
<td>.832</td>
<td>2.79</td>
<td>.994</td>
<td>1.19</td>
<td>.610**</td>
<td>.984</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Ethical egoism</td>
<td>.778</td>
<td>5.19</td>
<td>.948</td>
<td>1.09</td>
<td>.067</td>
<td>.180*</td>
<td>.908</td>
<td></td>
</tr>
<tr>
<td>4. Idealism</td>
<td>.880</td>
<td>4.55</td>
<td>-</td>
<td>1.09</td>
<td>-.930</td>
<td>.149*</td>
<td>.021</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: N = 191; CR: composite construct reliabilities; * Significant at p < .05; **Significant at p < .01; The AVEs are presented on the diagonal
The three egoism moral perspectives were then examined for fit using a CFA with one, two (Machiavellianism and hedonism combined) or three first order factors (Table 2). We found that representing egoism with three first order factors was the most appropriate and provided an adequate fit, using the comparative fit index (CFI) and the root mean square error (RMSR) of approximation (CFI > .9 and RMSEA < .08 are adequate fits (Hooper et al., 2008)) as our primary fit measures.

<p>| Table 2. Egoism Confirmatory Factor Analysis Examining Multiple Single Factor Models |
|---------------------------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th></th>
<th>1 First Order Factor</th>
<th>2 First Order Factors</th>
<th>3 First Order Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>510.798</td>
<td>306.868</td>
<td>172.62</td>
</tr>
<tr>
<td>DF</td>
<td>104</td>
<td>103</td>
<td>152</td>
</tr>
<tr>
<td>Chi-square/DF</td>
<td>4.912</td>
<td>2.98</td>
<td>1.709</td>
</tr>
<tr>
<td>CFI</td>
<td>0.694</td>
<td>0.847</td>
<td>0.946</td>
</tr>
<tr>
<td>PCFI</td>
<td>0.531</td>
<td>0.641</td>
<td>0.703</td>
</tr>
<tr>
<td>NFI</td>
<td>0.652</td>
<td>0.791</td>
<td>0.882</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.143</td>
<td>0.102</td>
<td>0.061</td>
</tr>
<tr>
<td>AIC</td>
<td>696.798</td>
<td>404.967</td>
<td>274.62</td>
</tr>
</tbody>
</table>

Our CFA analysis also demonstrated that all the retained items loaded significantly on their respective constructs, and that all factor loadings (Appendix) were significant and above the adopted loading threshold of 0.5 (Hair et al., 2006). Construct validity was tested and found to be adequate by calculating and evaluating the average variance extracted (AVE) > .5 and composite construct reliabilities > .6 (Fornell & Larker, 1981) (Table 1) for each of the constructs. The correlations were examined for discriminant validity, yielding values below the .85 recommended threshold (Kline, 2005). A Harmon’s Single Factor Test was conducted, with showing a single factor explained less than half of the variance in the data, suggesting no common method bias.

**Model and Hypothesis Tests**

Our model utilizes a calculated DIT P Score as the dependent variable. The DIT P Score was calculated for each scenario as well as a combined score for both scenarios. Because of the difficulties with model fit associated with a large number of indicators a commonly recommended solution of item parceling was used for the measurement of idealism (Landis et al., 2000, Nasser & Wisenbaker, 2003). The three dimensions of egoism remained as latent variables and were allowed to freely covary. Demographic variables were included in the model as control variables and were eliminated if they were found to be insignificant using the combined P Score. This resulted in two dummy variables remaining in the model representing whether the respondent is over 40 and if the respondent had received a graduate degree. The structural models were examined for fit with each of the three dependent variables revealing an adequate model fit (Table 3).
RESULTS

Each of the four hypotheses was tested using the same model with each of the two scenarios (Figure 3) and with a combined score (Figure 4). The results were then analyzed looking at the direct effect on the DIT p scores (Table 4). For the purpose of our results we will utilize $\alpha = .1$.

![Figure 3. Path Analysis with standardized β](image)

<table>
<thead>
<tr>
<th>Table 3. Model fit under scenario 1, 2, and Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario one Measurement Model</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Chi-square</td>
</tr>
<tr>
<td>DF</td>
</tr>
<tr>
<td>Chi-square/DF</td>
</tr>
<tr>
<td>CFI</td>
</tr>
<tr>
<td>PCFI</td>
</tr>
<tr>
<td>NFI</td>
</tr>
<tr>
<td>RMSEA</td>
</tr>
<tr>
<td>AIC</td>
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</tbody>
</table>
To test each hypothesis the direct path for each perspective was examined using the three dependent variables. Hypothesis one that tested Machiavellianism was significant for one scenario and overall with values of $\beta = -0.12$, $p = 0.341$ for scenario 1, $\beta = -0.24$, $p = 0.048$ for scenario 2, $\beta = -0.22$, $p = 0.069$ for the combined DIT P Score. Hypothesis two that tested hedonism was significant for one scenario and overall with values of $\beta = 0.13$, $p = 0.338$ for scenario 1, $\beta = 0.24$, $p = 0.06$ for scenario 2, $\beta = 0.23$, $p = 0.077$ for the combined DIT P Score. Hypothesis three that tested ethical egoism was significant for one scenario but not overall with values of $\beta = 0.01$, $p = 0.883$ for scenario 1, $\beta = 0.13$, $p = 0.083$ for scenario 2, $\beta = 0.09$, $p = 0.883$ for the
combined DIT P Score. Hypothesis four that tested idealism was significant for both scenarios and overall with values of $\beta = -.25 \ p = .001$ for scenario one, $\beta = -.27 \ p < .001$ for scenario 2, $\beta = -.32 \ p < .001$ for the combined DIT P Score.

### Table 4. Standardized Betas by Scenario

<table>
<thead>
<tr>
<th></th>
<th>$\beta$ Scenario1</th>
<th>p value</th>
<th>$\beta$ Scenario2</th>
<th>p value</th>
<th>$\beta$ Combined</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machiavellianism</td>
<td>-.12</td>
<td>.341</td>
<td>-.24</td>
<td>.048</td>
<td>-.22</td>
<td>.068</td>
</tr>
<tr>
<td>Hedonism</td>
<td>.13</td>
<td>.338</td>
<td>.24</td>
<td>.06</td>
<td>.23</td>
<td>.077</td>
</tr>
<tr>
<td>Ethical Egoism</td>
<td>0.01</td>
<td>.883</td>
<td>.13</td>
<td>.083</td>
<td>.09</td>
<td>.23</td>
</tr>
<tr>
<td>Idealism</td>
<td>-.25</td>
<td>.001</td>
<td>-.27</td>
<td>&lt; .001</td>
<td>-.32</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>Age (&gt;40)</td>
<td>-.13</td>
<td>.071</td>
<td>-.16</td>
<td>.02</td>
<td>-.18</td>
<td>.007</td>
</tr>
<tr>
<td>Education (Graduate)</td>
<td>-.04</td>
<td>.59</td>
<td>-.18</td>
<td>.009</td>
<td>-.14</td>
<td>.039</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.073</td>
<td>-</td>
<td>0.157</td>
<td>-</td>
<td>0.162</td>
<td>-</td>
</tr>
</tbody>
</table>

### DISCUSSION

The need to have employees who practice good moral judgment will continue to be important to organizations. Research has found that knowing what stages of cognitive moral development an individual uses in making a moral judgment significantly helps in determining whether an individual is likely to undertake unethical actions. Our study reveals that knowledge of an individual's moral perspectives of Machiavellianism, hedonism, ethical egoism, and idealism will shed light on what stages an individual will use when making a moral judgment. This knowledge will help executives to identify whether an employee is appropriate for a position. For example if an organization allows their employees the freedom to make important decisions with little or no supervision then selecting an employee who is in the higher stages of moral development would help reduce unethical actions. If the executive is unable to hire individuals with higher moral decision-making skills the organization would have increased risks associated with unethical actions and would need to increase their internal controls. With this concept in mind our study contains a number of interesting findings.

Egoism appears to be multi-dimensional as factor analysis and evaluations of the correlations demonstrated three distinct factors. This indicates that not all egoism is equal. For both practitioners and academic researchers, this is important as it separates egoism into multiple constructs that provide a more complete picture of the individual. This implies that all three dimensions of egoism need to be explored not only for direct effects but also for potential moderating or mediating effects.

Machiavellianism demonstrated a significant negative effect on the use of higher stages of moral judgment in one of the scenarios and overall. The strong linkage observed between Machiavellianism and immoral judgment appears consistent with previous research (e.g., Bass et al., 1999; Beu et al., 2003). This implies that Machiavellians, who also believe that the ends justify the means, will tend to prioritize lower stage items when making moral judgments. This is a dangerous combination in that the lower stages are associated with whether the individual can avoid punishment. Employee with Machiavellianistic tendencies would require an environment with more internal controls to provide clear indications of what is right and wrong and to increase the visibility of the perceived threat of punishment. Of course, if such characteristics can be determined prior to hiring, avoiding such an individual altogether would be preferred.
Hedonism was significant in the model as a positive influence overall. This was a surprising finding because some of the lower stages of development imply hedonism by containing criteria such as avoiding punishment. The result however, suggests that the hedonism perspective can still allow for high stages of moral judgment to be used in determining the moral judgment. One possibility is that the results may have also been influenced by other factors such as the lack of real consequences and that the intention to make the decision in this manner will be different from the actual process. Another may be that higher scores of hedonism in moderation may lead to an increase in the stages of development for educated individuals as we examined in our study. This could suggest that there is a moderating relationship with hedonism and education. This is a phenomenon that should be studied more.

Ethical egoism was not significant overall in predicting moral judgments. It did, however, have a positive significant relationship in one scenario. This may also suggest that ethical egoism is sensitive to the situation. It has been suggested that ethical egoism is a common sense philosophy. This suggests that in dilemmas with no real common sense solution individuals who utilize ethical egoism may require another moral dimension to be included to understand how the ethical egoist would make the moral judgment. This could be studied by looking for moderating influences such as utilitarianism or tribalism when the ethical egoists cannot utilize common sense to find the solution. Although beyond the scope of this study, examining this factor as having a moderating effect on other moral perspectives relationship in the EDM process may also be interesting.

Idealism had a significant negative influence on the stages of moral development used in moral judgment in both scenarios and as well as an overall score. This result indicates a high degree of idealism leads to lower moral judgment in the EDM process, agreeing with some previous studies (e.g., Elias, 2002; Kim, 2003). While an individual who is an idealist may care deeply for the people in the dilemma, they may also be prone to making decisions that overlook their decision’s effect on society as a whole. In practice, an idealistic manager may place avoiding injuring an individual they are supervising above the good of the organization.

This study is crucial for identifying how egoism perspectives affect moral judgments differently. While our findings indicated that the dimensions of egoism do not always have an effect on moral judgment they also suggest, in some situations, they have a direct positive effect. While this does not necessarily provide evidence that greed is good, it does support that self-interest does not prohibit good moral judgment when facing a moral dilemma. Our findings that are related to Machiavellianism show a negative impact of some types of egoism. These findings demonstrate the richness of egoism and suggest that an approach using multiple dimensions is appropriate not only because there are different measures but also because they affect moral judgment in a different way.

Practitioners as well as academic researchers need to better understand how these dimensions affect moral judgment in order to identify moral dilemmas that would match with the wrong moral perspectives and create unethical actions. Additionally, once these situations are identified, researchers can then explore what interventions can be taken to prevent the potential unethical actions from being realized.
LIMITATIONS

There are limitations to this study. This study was a one-time, online, self-report of moral perspectives and moral judgment. As these data are self-reported, they are therefore susceptible to both social desirability bias and mono-method bias. In addition, the sample was a convenience sample consisting of students at a university in the United States. The DIT was restricted to two scenarios. Because this is a subset of an often used test, this further restricts generalizability, the analysis, and some of the original test controls. However, model fit indicates that these limitations do not severely impact the study.

CONCLUSIONS

Our study has provided evidence that egoism is not a single dimension construct, and its dimensions can differ in how they affect moral judgments. This study’s key contribution is demonstrating the need for measuring these multiple dimensions of egoism to provide a better understanding of how an individual makes moral judgments. Our findings also suggest that all forms of selfishness do not negatively impact the moral development stages used in making a moral judgment. Furthermore, the findings indicate under some scenarios hedonism and ethical egoism can present a positive influence on moral judgment, suggesting a higher degree of moral development with higher degrees of selfishness. Our findings support previous findings on how higher idealism leads to lower development stages being used in making a moral judgment, suggesting a higher potential of an unethical action for individuals with a high degree of caring for others.

Application of our measurement instrument beyond our limited sample to future research samples may serve to verify and extend the implication of our results in various workplace environments. Additionally, further research is needed to examine the aspects of the dilemma and increase the depths of knowledge of the different moral perspectives. Future research will also need to address these moral perspectives in a more practical light. By providing evidence of moral judgment changing with an individual’s distinctive set of moral perspectives, we opened the door for their exploration as direct influencers or moderators of ethical action in the face of additional variables such as moral intensity, which evaluates the individual’s perception of the dilemma. By better understanding these factors we also hope that future studies can identify potential moral hazards and begin to explore the interventions needed to alleviate them.

APPENDIX: MEASURES FOR CONSTRUCTS

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
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<tbody>
<tr>
<td>Machiavellianism</td>
<td>1. We should do what is best for our self regardless of the consequences to others. (.71)</td>
</tr>
<tr>
<td>(Drake et al., 2009)</td>
<td>2. If need be, we should sacrifice the things others value to help ourselves. (.64)</td>
</tr>
<tr>
<td>(Factor loadings)</td>
<td>3. It is good to achieve our personal goals even if we happen to treat others poorly. (.76)</td>
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<tr>
<td></td>
<td>4. It is our duty to seek power over other people by any means possible. (.83)</td>
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<tr>
<td></td>
<td>5. If we want something, it is our duty to go get it however we can. (.62)</td>
</tr>
</tbody>
</table>
6. It is not of value unless it helps us to obtain power. (.77)
7. When deciding right and wrong, it is only our needs and wants that matter. (.79)

### Hedonism
(Drake et al., 2009)

1. It is our immediate satisfaction that should guide our actions. (.76)
2. We should act on the principle of pleasure=good, pain=bad. (.63)
3. It is good to do what we want, when we want, how we want. (.70)
4. It is not ethical to accept any pain or suffering in our life. (.70)
5. When deciding right and wrong, it is our immediate pleasure or pain that matters. (.81)

### Ethical Egoism
(Drake et al., 2009)

1. We should do what is best for our own long term happiness as long as it does not hurt others. (.54)
2. We must consider our own long-term survival first when identifying how to act. (.80)
3. It is our long-term happiness that should be our goal when we act. (.80)
4. Acting on our own self-interest is a good thing, as long as we don’t violate another person’s rights. (.61)

### Idealism
from EPQ (Forsyth, 1980)

1. A person should make certain that their actions never intentionally harm another even to a small degree.
2. Risks to another should never be tolerated, irrespective of how small the risks might be.
3. The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.
4. One should never psychologically or physically harm another person.
5. One should not perform an action which might in any way threaten the dignity and welfare of another individual.
6. If an action could harm an innocent other, then it should not be done.
7. Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.
8. The dignity and welfare of people should be the most important concern in any society.
9. It is never necessary to sacrifice the welfare of others.
10. Moral actions are those which closely match ideals of the most "perfect" action.

### Moral Judgment
from DIT (Rest et al., 1997) and DIT- 2 (Rest et al., 1999)

**“The escaped prisoner” scenario form DIT:**
A man had been sentenced to prison for 10 years. After one year, however, he escaped from prison, moved to a new area of the country, and took the name of Thompson. For eight years he worked hard, and gradually saved enough money to buy his own business. He was fair to his customers, gave his employees top wages, and gave most of his profits to charity. Then one day Mrs. Jones, an old neighbor, recognized him as the man who had escaped from prison eight years ago, and whom the police had been looking for.

Should Mrs. Jones report Mr. Thompson to the police and have him sent back to prison?
Rank Importance:
1. Hasn’t Mr. Thompson been good enough for such a long time to prove he isn’t a bad person?
2. Every time someone escapes punishment for a crime, doesn’t that just encourage more crime?
3. Wouldn’t we be better off without prisons and the oppression of our legal system?
4. Has Mr. Thompson really paid his debt to society?
5. Would society be failing what Mr. Thompson should fairly expect?
6. What benefits would prisons be apart from society, especially for a charitable man?
7. How could anyone be so cruel and heartless as to send Mr. Thompson to prison?
8. Would it be fair to all the prisoners who had to serve out their full sentences if Mr. Thompson was let off?
9. Was Mrs. Jones a good friend to Mr. Thompson?
10. Wouldn’t it be a citizen’s duty to report an escaped criminal, regardless of the circumstances?
11. How would the will of the people and the public good be best served?
12. Would going to prison do any good for Mr. Thompson or protect anybody?

“Cancer” scenario (Story #4) from DIT 2:
Mrs. Bennett is 62 years old, and in the last phases of colon cancer. She is in terrible pain and asks the doctor to give her more pain-killer medicine. The doctor has given her the maximum safe dose already and is reluctant to increase the dosage because it would probably hasten her death. In a clear and rational mental state, Mrs. Bennett says that she realizes this; but she wants to end her suffering even if it means ending her life.

Should the doctor give her an increased dosage?

Rank Importance:
1. Isn’t the doctor obligated by the same laws as everybody else if giving an overdose would be the same as killing her?
2. Wouldn’t society be better off without so many laws about what doctors can and cannot do?
3. If Mrs. Bennett dies, would the doctor be legally responsible for malpractice?
4. Does the family of Mrs. Bennett agree that she should get more painkiller medicine?
5. Is the painkiller medicine an active heliotropic drug?
6. Does the state have the right to force continued existence on those who don’t want to live?
7. Is helping to end another’s life ever a responsible act of cooperation?
8. Would the doctor show more sympathy for Mrs. Bennett by giving
9. Wouldn't the doctor feel guilty from giving Mrs. Bennett so much drug that she died?
10. Should only God decide when a person's life should end?
11. Shouldn't society protect everyone against being killed?
12. Where should society draw the line between protecting life and allowing someone to die if the person wants to?

REFERENCES


